

For Immediate Release:

May 1, 2007

Contact:

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Mayor's Office**

2007-2008 Proposed Budget Released

San José ---- The City of San José released its 2007-2008 Proposed Operating Budget today, an \$896 million budget that together with the 2007-2008 Capital Budgets released last week, brings the total budget for the City to \$3.2 billion. The Mayor and City Council are now responsible for adopting the final budgets in June. They will be holding a series of City Council Budget Study Sessions during May (*see below*) to analyze the many proposals set forth in this budget and to solicit input from the community.

The proposed budget includes a recommendation to add fifteen new Police Officers. Mayor Reed established this as a priority indicating that, “fifteen additional police officers are crucial for the safety of our citizens. They allow us to address the rise in property crimes and to improve community policing.”

It also sets aside funding to begin addressing the structural budget deficit as well as the city's infrastructure maintenance backlog.

“This budget reflects the goals that came out of the City's new community-based budgeting process,” said Mayor Chuck Reed. “When the City Council approved the Reed Reforms, it expanded the budget process to incorporate feedback from the community. I'm proud of the more inclusive process we've begun.”

The new community-based budgeting process included a scientific survey of the

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residents, a Neighborhood Priority Setting Session, and a City Council/Senior Staff Priority Setting Session. Four fundamental objectives were established at the start of the process: trust, transparency, responsiveness and city sustainability, which guided the government-community interactions and decision making.

The five three-year goals the City Council established were:

1. Maintain Our Status as the Safest Big City in America
2. Eliminate the Structural Budget Deficit
3. Reduce Deferred Maintenance/ Infrastructure Backlog and Develop a Strategy to Improve the Infrastructure
4. Increase Economic Vitality
5. Provide Full Funding for Parks, Pools, Community Centers and Libraries.

Under the proposal, the City will maximize use of ongoing dollars to close the 2007-2008 budget deficit and establish a \$2 million reserve to begin addressing the City's liability for future employment benefits. The 2007-2008 Proposed Operating Budget closes a \$19.9 million funding gap in the City's General Fund by identifying additional funding sources. A significant effort has been made to solve the budget deficit with ongoing solutions and to align one-time revenues with one-time expenditures.

Efforts have been made to begin tackling our structural budget deficit. "We cannot become a great city unless we eliminate our structural budget deficit," said Reed. "It is going to be a long process, but as mayor my number one priority is eliminating the structural budget deficit," commented Reed.

"These are simply necessary first steps," said Mayor Reed of the proposal. "The City is moving forward in the right direction, but I am committed to continuing to identify savings and ways of eliminating waste. San José will continue to grow into a great, fiscally responsible city," concluded Reed.

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2007 – 2008 Budget Study Sessions

Every year in June, the City Council approves a budget for the following fiscal year. Budget study sessions are open to the public. Community members are welcome to attend any of the following budget study sessions:

City and Redevelopment Agency 2007 – 2008 Operating Budgets

DATE	TOPIC	TIME
May 7, 2007	Overview: CSA Business Plans, Core Service Changes, and Performance Measures	1:00 p.m. – 2:00 p.m.
May 7, 2007	Community & Economic Development (Including RDA)	2:00 p.m. – 5:00 p.m.
May 10, 2007	Neighborhood Services Public Safety	9:00 a.m. – 11:00 a.m. 11:00 a.m. – Noon
May 11, 2007	Public Safety Transportation and Aviation Services	9:00 a.m. – 10:00 a.m. 10:00 a.m. – Noon
May 14, 2007	Environmental & Utility Services Strategic Support (Including Council Appointees) City Auditor Recommendations Fees and Charges	1:00 p.m. – 3:00 p.m. 3:00 p.m. – 4:00 p.m. 4:00 p.m. – 4:15 p.m. 4:15 p.m. – 5:00 p.m.

City 2007- 2008 Capital Budget and 2008 -2012 Capital Improvement Project

DATE	TOPIC	TIME
May 16, 2007	Overview Community & Economic Development Environmental & Utility Services Public Safety	9:00 a.m. – 9:30 a.m. 9:30 a.m. – 10:00 a.m. 10:00a.m. – 11:00 a.m. 11:00 a.m. – Noon
May 17, 2007	Neighborhood Services Transportation & Aviation Services Strategic Support	10:00 a.m. – 11:00 a.m.* 11:00 a.m. – 11:45 a.m. 11:45 a.m. – Noon
May 18, 2007	HOLD for Discussion if Needed HOLD for Discussion if Needed	9:00 a.m. – Noon* 1:00 p.m. – 5:00p.m.*

Public Hearings

DATE	TOPIC	TIME
May 15, 2007	Initial Public Hearing: 2007-08 Capital/Operating Proposed Budgets and 2007-08 Fees and Charges Report	Evening*
June 11, 2007	Final Public Hearing: 2007-08 Capital/Operating Proposed Budgets and 2007-08 Proposed Fees and Charges Report	Evening*

***Subject to change**

**All Budget Study Sessions will be held in the City Hall Council Chambers located at:
200 East Santa Clara Street
San José, California 95113-1905**

**For more information on the Budget Study Sessions or the City's Budget process, please call City Manager's
Office at (408) 535-8100.**

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